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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: June 10, 1958

SUBJECT: U. S. and U. K. Assistance to Libya

PARTICIPANTS: Mr. Michael Weir, First Secretary, British Embassy
AFN - Mr. Mak, Libyan Desk Officer

EXCISE

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY J. M. Razi DATE 5/6/82
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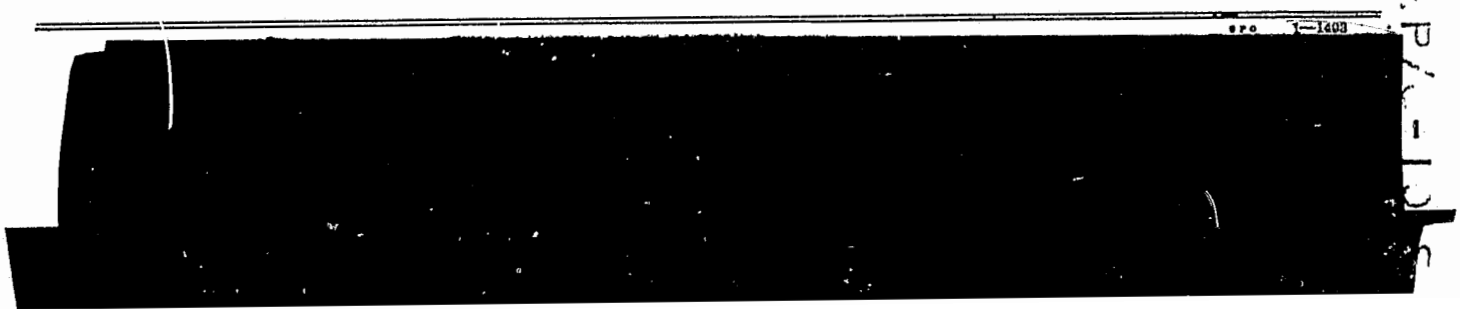

[redacted]

Mr. Mak explained that on May 19 the U. S. Embassy in Libya had told the Libyans that the U. S. was prepared to provide the GOL with $5.5 million which could be used for Libyan budget purposes if the Government so desired. It was explained to the Libyans that these funds were, however, subject to

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subject to the usual ICA programming procedures. The Libyans had appeared annoyed upon learning that the ICA procedures were required. However, in a subsequent conversation with Libyan Government officials, we had gained the impression that the Libyan Government was reconciled to the situation. Mr. Mak explained that the U. S. Government's attitude toward contributing U. S. funds to LPDSA was negative for several reasons. The U. S. felt that it would be desirable to replace the various developmental agencies, such as LARC, LPDSA, Development Council and Joint Services, with a single development agency and we understood that the Libyans actually had plans for doing exactly this. In addition, the U. S. felt that U. S. funds contributed to Libya should be channeled through LARC which had been established for that purpose, rather than through LPDSA which was primarily a British Agency. Furthermore, the U. S. saw no particular reason why the Libyans should ask the U. S. to contribute funds to LPDSA, when the Libyan Government could just as easily divert funds from its normal internal revenues if it so desired.

Mr. Weir said he thought he now understood the situation and would explain it to the Foreign Office.

AF:AFN:DMak:cgw
June 16, 1958

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